



0000090591

BEFORE THE ARIZONA CORPORATION COMMISSION

MIKE GLEASON
Chairman
WILLIAM A. MUNDELL
Commissioner
JEFF HATCH-MILLER
Commissioner
KRISTIN K. MAYES
Commissioner
GARY PIERCE
Commissioner

Arizona Corporation Commission

DOCKETED

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IN THE MATTER OF THE APPLICATION
OF SALT RIVER PROJECT
AGRICULTURAL IMPROVEMENT AND
POWER DISTRICT ON BEHALF OF
ITSELF AND ARIZONA PUBLIC SERVICE
COMPANY, SANTA CRUZ WATER AND
POWER DISTRICTS ASSOCIATION,
SOUTHWEST TRANSMISSION
COOPERATIVE, INC., AND TUCSON
ELECTRIC POWER IN CONFORMANCE
WITH THE REQUIREMENTS OF
ARIZONA REVISED STATUTES SECTION
40-360, et seq., FOR A CERTIFICATE OF
ENVIRONMENTAL COMPATIBILITY
AUTHORIZING CONSTRUCTION OF THE
PINAL WEST TO SOUTHEAST
VALLEY/BROWNING PROJECT
INCLUDING THE CONSTRUCTION OF
TRANSMISSION LINES FROM PINAL
WEST TO THE BROWNING SUBSTATION
AND OTHER INTERCONNECTION
COMPONENTS IN PINAL AND
MARICOPA COUNTIES, ARIZONA

DOCKET NO. L-00000B-04-0126-0000

DECISION NO. 70610

ORDER

Open Meeting
November 12 and 13, 2008
Phoenix, Arizona

BY THE COMMISSION:

On August 25, 2005, the Arizona Corporation Commission ("Commission") issued
Decision No. 68093 in this docket, which granted a modified and amended Certificate of
Environmental Compatibility ("CEC") issued by the Arizona Power Plant and Transmission

1 Line Siting Committee ("Siting Committee") to the Salt River Project Agricultural
2 Improvement and Power District ("SRP" or "Applicant"). On November 14, 2005, the
3 Commission issued Decision No. 68291 in this docket, which amended Decision No. 68093 to
4 expand the corridor width of the CEC.

5 On December 8, 2006, the Commission issued Decision No. 69183 in this docket,
6 which granted SRP the authority to construct a portion of the Desert Basin to Pinal Central
7 (formerly Pinal South) 230 kV line on common 500 kV structures with the Santa Rosa to Pinal
8 Central 500 kV line pending the approval of the CEC for the Desert Basin 230 kV Project.
9 The Commission granted the CEC for the Desert Basin 230 kV Project on June 6, 2007 in
10 Decision No. 69647.

11 On June 30, 2008, SRP filed a request in this docket pursuant to Condition No. 23 of
12 the CEC granted in Decision No. 68093 for Commission approval to construct a 230 kV circuit
13 on two separate segments of the 500 kV line from Pinal West Substation to Abel (formerly
14 Southeast Valley) Substation. Specifically, SRP proposes to use the 500 kV structures to add a
15 230 kV circuit 1) from Santa Rosa Substation to a point on Cornman Road, near its
16 intersection with Thornton Road and 2) from the Pinal Central Substation to the Abel
17 Substation. Segment 1 will be utilized by the Electrical Districts #2, #3 and #4 of Pinal
18 County and Southwest Transmission Cooperative for the operation of the proposed Sawtooth
19 Generating Station, a project under development by the members of the Southwest Public
20 Power Resources Group ("SPRR Group"). Segment 2 will be utilized by SRP to access future
21 generation resources connecting to the Southeast Valley system at the Pinal Central Substation
22 and along the transmission line alignment, including the proposed Coolidge Generating
23 Station. Hearings by the Siting Committee for the Coolidge Generating Station commenced
24 on September 29, 2008, and concluded on October 1, 2008.

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2 Having considered the entire record herein and being fully advised in the premises, the
3 Commission finds, concludes, and orders that:

4 FINDINGS OF FACT

5 1. On August 25, 2005, the Commission issued Decision No. 68093, which granted
6 to SRP a modified and amended CEC issued by the Arizona Power Plant and Transmission
7 Line Siting Committee.

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2. Decision No. 68093 includes Condition No. 23. Condition No. 23 states that the authority granted by the CEC includes contingent authority to construct a 230 kV circuit on the 500 kV structures authorized by the CEC, between the Santa Rosa and SEV Substations.¹

3. On November 14, 2005, the Commission issued Decision No. 68291 in this docket, which amended Decision No. 68093 to expand the corridor width of the CEC.

4. On December 8, 2006, the Commission issued Decision No. 69183 in this

¹ Condition No. 23 of Decision No. 68093 provides as follows:

23. The authority granted by this Certificate includes the authority to construct a 230 kV circuit on the 500kV structures (authorized within this Certificate), between the Santa Rosa and SEV Substations. This authority is contingent upon the following:

(a) The Applicant will identify proposed use of the 230 kV facilities in a January 2006 filing of the annual ten year plan submittals. The Applicant will include the 230 kV facilities and the required technical study work in each subsequent ten year plan filing until the 230 kV facilities are constructed.

(b) Prior to beginning construction of a 230 kV circuit on any portion of the route between the Santa Rosa and SEV Substations, Applicant shall submit to the Utilities Division of the Arizona Corporation Commission ("ACC Staff") a written study that describes the proposed 230 kV circuit and provides all available study results of a system reliability analysis relating to the proposed circuit, including but not limited to, studies demonstrating that the proposed 230 kV circuit meets NERC/WECC [North American Electricity Reliability Coordinating Council/Western Electricity Coordinating Council] reliability criteria as well as any other criteria utilized by the Commission at the time of the filing. The study will also identify the needs and objectives of the stakeholders, address how the 230 kV circuit will best meet the regional needs of the stakeholders and address how the 230 kV circuit will be incorporated with other long term 230 kV plans identified to meet the load serving needs of the region. The study will also address issues of reliability relating to consolidation of these lines on common structures, the use of common corridors and interconnection of facilities. The study work will be performed in an open and collaborative manner open to all stakeholders in a regional forum, such as the CATS-HV Technical Study Work Group.

(c) Upon the submission of the study work described in subsection b (in the paragraph above) to the ACC Staff, the Applicant shall make a compliance filing with Docket Control documenting said study work submission. The ACC Staff shall then docket within 90 days a Staff Report with regard to the Applicant's study work. The Staff Report shall include a Staff recommendation as to whether a hearing should be held in this matter as well as Staff's recommendation as to whether the Commission should approve the Applicant's request to attach a 230 kV circuit line to the 500 kV structures. Regardless of whether the matter proceeds to a hearing, the Commission shall make the final determination whether the Applicant is authorized to construct the 230 kV circuit on any portion of the common 500 kV line structures spanning from Santa Rosa to the SEV Substations. Only upon receipt of an affirmative determination from the Commission, may the Applicant construct the 230 kV circuit described in subsection a.

(d) A request for approval of a particular 230 kV circuit shall not preclude subsequent requests for other 230 kV circuits.

With respect to the Project, Applicant shall participate in good faith in state and regional transmission study forums, and shall coordinate transmission expansion plans related to the Project to resolve transmission constraints in a timely manner.

1 docket, which granted SRP the authority to construct a portion of the Desert Basin to Pinal
2 Central 230 kV line on common 500 kV structures with the Santa Rosa to Pinal Central 500
3 kV line pending the approval of the CEC for the Desert Basin 230 kV Project. The
4 Commission granted the CEC for the Desert Basin 230 kV Project on June 6, 2007 in Decision
5 No. 69647.

6 5. On June 30, 2008, pursuant to the requirements of Condition No. 23, SRP filed
7 three separate reports and technical study work to support a request for approval to construct a
8 230kV circuit on two separate segments of the 500 kV line. Specifically, SRP requested
9 authorization to add a 230 kV circuit to the 500 kV structures 1) from Santa Rosa Substation to
10 a point on Cornman Road, near its intersection with Thornton Road and 2) from the Pinal
11 Central Substation to the Abel Substation. The June 30, 2008 filing included the following
12 exhibits: a CATS-HV Saturated Load and Transmission Study Final Report dated
13 September 21, 2006, a Three Terminal Plan Corridor Outage Study for Segment 1² and an
14 Interconnection System Impact Study ("SIS") for the Coolidge Generating Station³ to support
15 the need for Segment 2.

16 6. On September 30, 2008, the Commission's Utilities Division Staff ("Staff")
17 filed a Staff Report Analyzing Salt River Project's Compliance with Condition No. 23 in
18 Docket No. L-00000B-04-0126 and Request for Approval to Construct a 230 kV line on the
19 aforementioned two segments of the Pinal West to Pinal Central to Abel 500 kV line ("Staff
20 Report"). Based on Staff's analysis, the Staff Report concluded that SRP had complied with
21 Condition No. 23 of the CEC granted in Decision No. 68093. Staff recommended approval of
22 construction of the requested 230 kV circuit for the stated purposes, without the need for a
23 hearing.

24 7. The Staff Report was provided to the service list in this docket, and no
25 objections were filed to Staff's recommendations.

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28 ² Prepared by K.R. Saline & Associates, PLC

³ Prepared by SRP

9. Staff analyzed the CATS-HV Saturated Load and Transmission Study Final Report dated September 21, 2006, the Three Terminal Plan Corridor Outage Study prepared by K.R. Saline & Associates in support of Segment 1, and the SIS for the Coolidge Generating Station prepared by SRP to support the need for Segment 2. Based on that analysis, Staff concluded in its Staff Report that SRP had complied with each of the requirements listed in Condition No. 23(b) of Decision No. 68093.

11. In its Staff Report, Staff stated that, based upon its analysis, the construction of the 230 kV circuit on 500 kV structures in common with the Santa Rosa to Pinal Central to Abel 500 kV line poses no material near-term system reliability risks, and that such construction is compatible with and supportive of the long range service needs defined by local stakeholders. Staff stated that it, therefore, supports the requested consolidation of the proposed 230 kV line on common 500 kV structures for the purposes stated by SRP.

13. Staff's recommendations are reasonable and will be adopted.

CONCLUSIONS OF LAW

2. Notice of the proceeding was given in the manner prescribed by law.

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1 3. Granting SRP's request for a finding that it has satisfied Condition No. 23 in
2 Decision No. 68093 is in the public interest.

3 ORDER

4 IT IS THEREFORE ORDERED that the Salt River Project Agricultural Improvement
5 and Power District has met the requirements set forth in Condition No. 23 of Decision
6 No. 68093.

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IT IS FURTHER ORDERED that this Decision shall become effective immediately.


BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

For William A. Mondell by NIM Exec Dir
COMMISSIONER


COMMISSIONER


COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 19th day of November, 2008.


BRIAN C. McNEIL
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

EGJ:PKB:lhmm\CH

1 SERVICE LIST FOR: Salt River Project Agricultural Improvement and Power District
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